

SETTLEMENT AND RELEASE AGREEMENT

The North Carolina Department of Commerce, including (in their official capacities) its agents, employees and officers (together, "Commerce"), enters into the following settlement and release agreement ("Agreement") with Karen West ("Petitioner").

WHEREAS, Petitioner was employed by Commerce as its General Counsel in an Attorney Advanced Level position until June 4, 2013, when her employment ended;

WHEREAS, on May 20, 2013, Petitioner filed a petition for contested case in the North Carolina Office of Administrative Hearings ("OAH") with the caption *Karen West v. NC Department of Commerce*, 13 OSP 13002 ("Petition"), which Petitioner amended on June 19, 2013;

WHEREAS, Petitioner is willing to resign her employment with Commerce effective June 4, 2013, and Commerce is willing to accept this resignation; and

WHEREAS, in return for the mutual releases and covenants contained herein, the parties desire to enter into this Agreement to resolve the Petition and, except where otherwise specified below, any claims related to Commerce's employment of Petitioner.

NOW THEREFORE, in order to avoid further controversy, expense and inconvenience, Petitioner and Commerce have agreed upon a full and final settlement and release of all matters related to the Petition and, except where otherwise specified below, all matters related to Commerce's employment of Petitioner and hereby memorialize the terms and conditions of their Agreement as being:

1. Settlement Payment: Commerce will pay Petitioner \$80,000.00 (EIGHTY THOUSAND DOLLARS AND NO CENTS) in full satisfaction of all claims Petitioner releases in paragraph 3 below and in consideration for Petitioner's other promises and covenants in this Agreement. Petitioner assumes full responsibility for all federal, state or local taxes she may owe and any reporting requirements she may have for this payment.

2. Resignation Letter: Commerce will withdraw the June 4, 2013 letter from Commerce Secretary Sharon Allred Decker to Petitioner, and Petitioner will provide Commerce with a letter addressed to Secretary Decker and stating the following:

Dear Secretary Decker:

Pursuant to a reorganization of Commerce by the new administration, which has communicated its desire to appoint a General Counsel of its own choosing as a part of that reorganization, I hereby resign my position with Commerce effective June 4, 2013. Thank you for the opportunity to serve the State in this capacity over the past several years.

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Sincerely,

Karen West

3. Releases: In return for the promises, representations, covenants and consideration provided by Commerce in this Agreement, and other than as to those claims addressed in the following sentence, Petitioner forever discharges and waives all claims, known or unknown, relating to her employment by Commerce (including all claims for attorney's fees or legal costs) which Petitioner may have as of the date of this Agreement against Commerce, the State of North Carolina and their past or present agents, employees and officials, all in their individual and official capacities. Petitioner does not waive any rights she and her spouse have under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") to participate in the North Carolina State Health Plan, Petitioner's rights to continue receiving unemployment insurance benefits, or any retirement, pension, health coverage or other benefits Petitioner is or may become entitled to by virtue of her vested employment with Commerce, or Petitioner's right afforded by N.C. Gen. Stat. 126-5(e)(1).

Commerce (including its past and present agents, employees and officials) forever discharges and waives all claims, known or unknown, relating to its employment of Petitioner (including all claims for attorney's fees or legal costs) which Commerce may have (or which have accrued) as of the date of this Agreement against Petitioner. Further, Commerce will not pursue or participate (other than as may be required by applicable law) in any such claims.

Petitioner acknowledges that this discharge and waiver for consideration complies with and includes her knowing and voluntary waiver of her rights under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990. Petitioner has 21 calendar days to consider this Agreement but can execute it sooner than the expiration of this period. Petitioner warrants and represents that she has consulted with an attorney concerning all of the terms and conditions of this Agreement prior to executing it. Petitioner shall have seven (7) calendar days to revoke this Agreement following its execution, and the Agreement is effective only if Petitioner does not revoke it within this period. If Petitioner revokes the Agreement within these seven (7) calendar days, she relinquishes any right to the settlement payment under paragraph 1 above and will return the payment immediately to Commerce.

4. No Admission of Liability: The parties understand and agree that this Agreement represents a compromise of disputed claims and is intended merely to terminate any and all claims and avoid further litigation among the parties. Entry into this Agreement is not to be construed as an admission of liability by either party, and the parties expressly deny they have committed any wrongdoing and both parties will agree that they are not liable to one another under any theory of law for any of their actions.

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5. Non-Disparagement: The parties shall refrain from releasing any information not legally required to be released which disparages or impugns the reputation of one another and from making any statements which disparage or impugn the reputation of one another. Commerce will take reasonable steps to be certain its agents, employees and officials are aware of this obligation not to disparage or impugn Petitioner's reputation. If an inquiry is made to Commerce, the following simple factual response will be provided:

Karen West served as General Counsel of the North Carolina Department of Commerce until June 4, 2013, including the first few months of the new administration, when she resigned under a reorganization initiated by the new administration.

Commerce will not discourage or interfere with the right of any of its current or former agents, employees or officials to provide positive references for Petitioner.

6. Agreement Not to Pursue Complaints: Commerce warrants that neither it nor, to its knowledge, the State of North Carolina, including any of their agents, employees or officials, have made or have been instructed to make any reports regarding Petitioner to any credentialing or licensing authority, government agency or authority. Commerce further warrants that it and its agents, employees and officials will not initiate, refer, file, report, or otherwise pursue or participate in a complaint against Petitioner with any credentialing or licensing officials, government agency or authority.

It is acknowledged that each party's release of the other party and commitments contained herein are subject to any applicable requirements of law.

7. Petitioner's Withdrawal of any Open-Records Requests: Within ten (10) business days of the execution of this Agreement and clearing of final settlement amount, Ms. West agrees to withdraw any open-records requests made to the State of North Carolina (including any State agency or official) by her or on her behalf.

8. Return of Personal Property: Simultaneously with the execution of this Agreement, the parties will return to one another the following items of personal property. Commerce will return to Petitioner her two (2) exhibition photographs, two (2) coffee table books, one (1) umbrella and one (1) brass lamp. Petitioner will return to Commerce its EliteBook laptop computer and Apple I-Phone. As a part of this provision, Petitioner warrants and represents that she has wiped from her home computer and phone and destroyed any and all confidential records or confidential files connected with her work for Commerce or made or copied pursuant to such work.

9. Confidentiality: To the extent permitted by North Carolina law, the parties, their agents and their representatives agree to maintain the confidentiality of and not disclose, discuss, publicize, circulate, or advertise this Agreement, including any of its terms and conditions. If

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Commerce receives a public records request, subpoena or court order for this Agreement, which both parties recognize is a public record, the parties agree that Commerce shall comply with the request, subpoena or court order despite the covenants in this section. Commerce will advise Petitioner in the event that it receives a public records request, subpoena or court order for this Agreement.

With regard to any employment-related or personal information gathered by Commerce about Petitioner (including any information related to her application, selection, promotion, resignation, leave, salary, benefits, performance evaluations, communications regarding personnel matters, home address, social security number, medical history and personal financial data), Commerce is bound by the confidentiality requirements of N.C. Gen. Ch. 126 and any other applicable federal or state law.

10. Petitioner's Voluntary Dismissal of the Petition with Prejudice: Petitioner agrees to dismiss the Petition with prejudice within ten (10) days of the later of execution of the settlement agreement and receipt of the payment in final funds.

Subject to the provisions of paragraph 13 below, the parties have the right to seek enforcement of any provision of this Agreement by filing it in any necessary court.

11. Reemployment: The parties agree that, as part of the full and final releases contained in this Agreement, Petitioner will not reapply for or accept employment with Commerce (including its divisions and the boards and commissions under it). Commerce does not intend this provision to disparage or impugn in any way Petitioner or her job performance while employed by Commerce. Petitioner is free to apply for and accept employment with other North Carolina state or local agencies, boards or commissions.

12. Severability: If any of the provisions of the Agreement are determined to be invalid or unenforceable, that provision so determined shall be severable from the other provisions of the Agreement, and the Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been included herein.

13. Governing Law and Forum: This Agreement shall be governed by, construed and enforced in accordance with laws of the State of North Carolina, and the place, situs and forum of this contract shall be Wake County, North Carolina, where all matters relating to the validity, construction, interpretation and enforcement shall be determined.

14. Full Cooperation. The parties agree to cooperate fully to execute any and all supplemental documents necessary to effectuate this Agreement, and to take all additional actions that may be necessary to give full force and effect to the terms of this Agreement.

15. Entire Agreement. This Agreement contains the entire agreement between the

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parties and there are no understandings or agreements, verbal or otherwise, regarding this settlement except as expressly set forth herein.

By the signatures below, the parties indicate that they have read, understand, and agree with the terms and conditions stated in this Agreement, and by their signature they acknowledge the agreement and that in signing this Agreement they intend to be legally bound by it.

This the 18th day of September 2013.

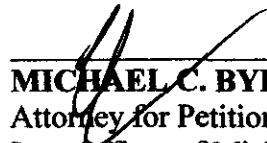


KAREN WEST
Petitioner

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This the 12 day of September 2013.



MICHAEL C. BYRNE

Attorney for Petitioner

Law Offices of Michael C. Byrne, PC

Wells Fargo Capitol Center, Suite 1130

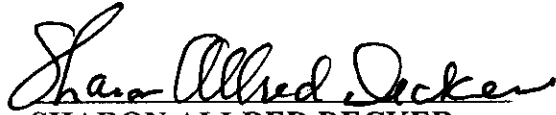
150 Fayetteville Street

Raleigh, NC 27601

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This the 6th day of September 2013.

A handwritten signature in cursive script, reading "Sharon Allred Decker", written over a horizontal line.

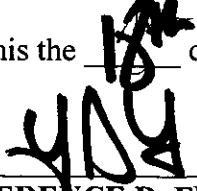
SHARON ALLRED DECKER

Secretary of the North Carolina Department of Commerce

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This the 18th day of September 2013.



TERENCE D. FRIEDMAN

Attorney for North Carolina Department of Commerce
Special Deputy Attorney General
N.C. Department of Justice
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Raleigh, North Carolina 27606